

## **The complaint**

Miss C complains that NewDay Ltd trading as Aqua provided her with an unaffordable credit card.

Miss C's complaint has been brought by a professional representative, but for ease I'll refer to all submissions as though they are her own.

## **What happened**

NewDay provided Miss C with a credit card with an initial limit of £450 in August 2020. No credit limit increases were provided.

Miss C complained to NewDay in November 2024 about unaffordable lending. She said had NewDay conducted proportionate checks it would have identified this credit card was unaffordable for her.

NewDay issued Miss C with its final response in December 2024 in which it didn't uphold her complaint. In summary, it said its checks were proportionate and that it had made a fair lending decision when providing this credit.

Unhappy with NewDay's response Miss C referred her complaint to our service.

Our investigator reviewed the details and didn't uphold Miss C's complaint. She considered NewDay's checks were reasonable and proportionate, and that it had gone on to fairly provide Miss C with this credit.

NewDay didn't respond to our investigator's view; Miss C responded and disagreed. In summary, she maintained her position that NewDay hadn't completed proportionate checks; and that had it done so it would have identified this lending was unaffordable for her.

Miss C asked for an ombudsman's review, so the complaint has been passed to me to decide.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The information in this case is well known to Miss C and NewDay, so I don't intend to repeat it in detail here. I've focused my decision on what I consider to be the key points of this complaint; so, while my decision may not cover all the points or touch on all the information that's been provided, I'd like to assure both parties I've carefully reviewed everything available to me. I don't mean to be discourteous to Miss C or NewDay by taking this approach, but this simply reflects the informal nature of our service.

I would also confirm that I've seen more recently one of our investigator's asked both Miss C and NewDay for some further information, which has been added to the file and is available

for my consideration. However, for reasons that will become clear further into my decision, I haven't found that I've needed to rely on this information when reaching my decision.

We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website; and I've seen our investigator made Miss C and NewDay aware of this approach within their view.

Essentially NewDay needed to take reasonable steps to ensure the lending it provided Miss C was responsibly lent. The relevant rules, regulations, and guidance in place during NewDay's lending decision required it to carry out proportionate checks. These checks needed to assess Miss C's ability to afford the credit limit being provided and repay it sustainably, without causing her financial difficulties or harm.

There isn't a set list of checks a lender needs to carry out, but they should be proportionate, considering things like the type, amount, duration, and total cost of the credit, as well as the borrower's individual circumstances.

I've followed this approach when considering Miss C's complaint and I've set out my findings below.

NewDay says it obtained details of Miss C's income via data provided by credit reference agencies (CRAs). It has also said it used CRA data to reasonably assess Miss C's expenditure and obtain details of her existing commitments to credit, as well as her management of credit.

NewDay says its checks were proportionate and that it went on to make a fair lending decision when providing Miss C with this credit limit.

I've carefully considered the information available to me. Having done so I'm persuaded NewDay's checks were proportionate, and that it went on to make a fair lending decision when providing Miss C with this credit card in this instance.

I say this because Miss C was being provided with a relatively modest credit limit; and it therefore follows that proportionate checks would reasonably reflect this.

NewDay has provided our service with details that confirm it validated Miss C's income from data provided by CRAs, and that it also obtained details of her monthly housing costs, cost of living payments and commitments to existing credit through CRA checks. It used the data it obtained to calculate Miss C's monthly disposable income of around £300, which it considered at a reasonable level to sustainably afford repayment to this new line of credit, as well as provide Miss C with a buffer for any additional monthly costs that may occur.

Although the credit checks identified some historic adverse information, there was nothing reported within the recent past or current period of time that I consider ought reasonably to have caused it concern. There were no outstanding public records, no defaulted accounts, and no delinquent accounts. All of Miss C's existing lines of credit were reported as being up to date across the previous six month period, and her debt to income ratio was reported as being around 50%.

So, I consider the information NewDay obtained was proportionate to the terms of lending it was providing and the information it had identified about Miss C's management of credit through its checks, and I consider it went on to make a fair lending decision based on these proportionate checks.

In response to our investigator's view Miss C has commented that NewDay didn't take into account a figure for her monthly housing cost; and that she was making payments to her partner on a monthly basis to support the housing cost.

I do acknowledge Miss C's testimony, but as I've set out above, I consider the level of checks NewDay completed were proportionate, and there was no reason for it to have had concern or doubted the information it received from the CRAs. So, I can't agree that NewDay ought to have questioned any further the housing cost figure reported for Miss C.

I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

I acknowledge my decision will likely be disappointing for Miss C, but for the reasons set out above I'm not directing NewDay to take any further action in resolution of this complaint.

### **My final decision**

My final decision is that I don't uphold Miss C's complaint about NewDay Ltd trading as Aqua.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 6 November 2025.

Richard Turner  
**Ombudsman**